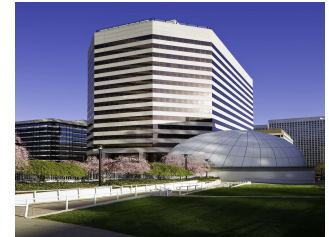


PBS Overview: Office of Leasing Sustainability Requirements

February 5, 2021



Office of Leasing: Key Sustainability Requirements

- *Leased Inventory: # Leases ; # Buildings; Lsd RSF; GSA Occupancy %*
- *Sustainability-related Statutes, E.O.s, Policies*
- *Key Sustainability Requirements: Shell, T.I.s, Utilities/Obligations*
- *Guiding Principle Compliance + Green Building Ratings*
- *Energy Disclosure/Benchmarking: Utility Consumption Reporting*
- *Energy Efficiency Improvement Act: MCLP and Energy Star Score*
- *Net of Utilities Lease Guidance*

Leased Inventory by Size -- # of Leases and Leased RSF

Leased Inventory by Size: # of Leases and Leased RSF				
Lease Size (RSF)	# of Leases	% of Leases	Leased RSF	% of RSF
Up to 5,000	2,454	30.3 %	6,373,690	3.4 %
5,001 - 9,999	2,052	25.3 %	15,067,201	8.1 %
10,000 - 25,000	1,910	23.5 %	30,056,018	16.2 %
25,001 - 50,000	741	9.1 %	25,786,836	13.9 %
50,001 - 100,000	475	5.9 %	33,063,723	17.8 %
> 100,000	316	3.9 %	74,977,480	40.5 %
Unspecified	163	2.0 %	0	0 %
TOTAL	8,111	100.0 %	185,324,948	100.0 %

- Leased Inventory - Dec. 2020:
 - 8,111 leases
 - 185 Million RSF
 - Median size = 8,219 RSF
- Leases < 10,000 RSF = 55% of Total # of Leases, yet only 11.5% of Total RSF
- Leases >= 10,000 RSF = 43% of Total # of Leases, and 88% of Total RSF
- Leased Inventory decreased over past 10 years:
 - 8% reduction in # leases (from 8,900 in FY2010)
 - 7% reduction in total RSF (from 198M RSF in FY2010)
 - Reduce the footprint; consolidations; moves to federal space

Leased Inventory Based on % of Full vs. Partial Bldg.

Leased Inventory by Size: # of Leases, Leased RSF, and % Full-Building Occupancy

Lease Size (RSF)	# of Leases	% of Leases	Leased RSF	% of RSF	# of Ls. by Full Bldg. Occupancy	% of Leases by Full Bldg. Occupancy
Up to 5,000	2,454	30.3 %	6,373,690	3.4 %	311	15.5 %
5,001 - 9,999	2,052	25.3 %	15,067,201	8.1 %	509	25.3 %
10,000-25,000	1,910	23.5 %	30,056,018	16.2 %	609	30.3 %
25,001-50,000	741	9.1 %	25,786,836	13.9 %	215	10.7 %
50,001-100,000	475	5.9 %	33,063,723	17.8 %	173	8.6 %
> 100,000	316	3.9 %	74,977,480	40.5 %	182	9.1 %
Unspecified	163	2.0 %	0	0 %	12	0.6 %
TOTAL	8,111	100.0 %	185,324,948	100.0 %	2,011	100.0 %

Important to look at the leases where **GSA = 100% of the building** (yellow columns)

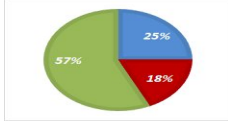
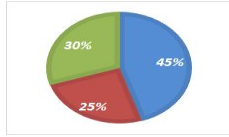
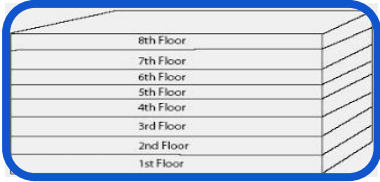
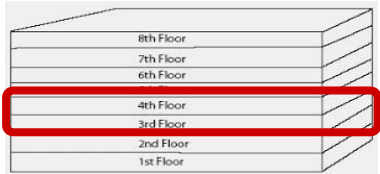
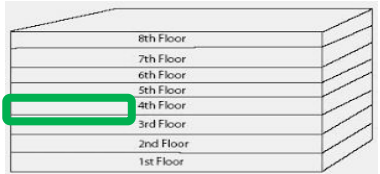
- Greater leverage
- Full bldg data access

GSA is often **Not the only tenant or the main tenant** in commercially leased buildings

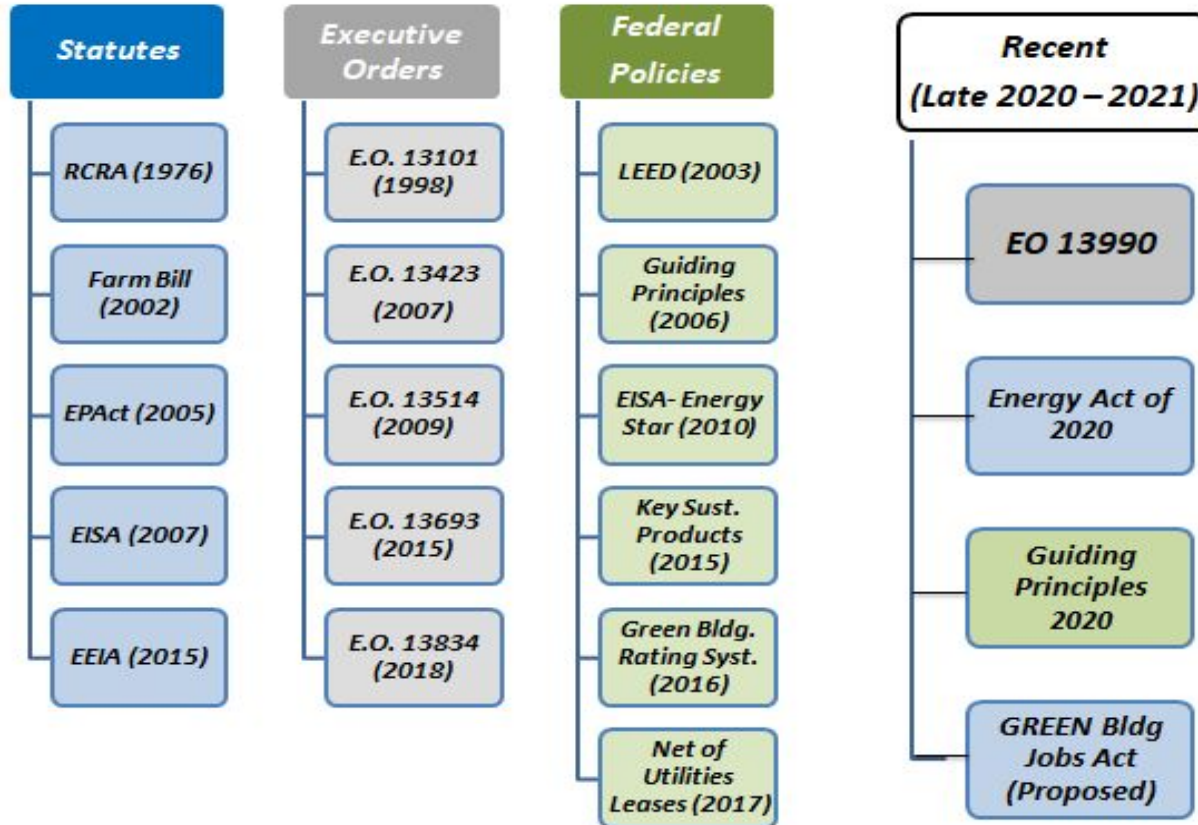
In **2,011 of the total 8,111** leases (25%), GSA is the **full-bldg tenant**

- Of these, **570 leases >25K** make up over **70% of the leased RSF**

Leased Inventory by GSA Occupancy in Building

Source: Dec. 2020 REXUS		# of Leases [8,111 total]	Lsd. RSF [185,324,948 RSF]
			
Full Bldg. Occupancy (95 - 100 %)		<u>25%</u> of total # of Leases (2,011 out of 8,111) [Avg. size = 41,001 RSF]	<u>45%</u> of Total Lsd. RSF (82.5M out of 185M RSF)
Partial Bldg. Occupancy (25 - 94 %)		<u>18%</u> of Total # of Leases (1,463 out of 8,111) [Avg. size = 32,815 RSF]	<u>26%</u> of Total Lsd. RSF (48M out of 185M RSF)
Partial Floor Occupancy (< 25 %)		<u>57%</u> of Total # of Leases (4,637 out of 8,111) [Avg. size = 11,831 RSF]	<u>30%</u> of Total Lsd. RSF (54.9M out of 185M RSF)

Sustainability Related Statutes, Executive Orders, Federal Policies



- **GSA Leasing requirements incorporate provisions from multiple federal statutes, Executive Orders, and federal policies**
- **These translate into 32 - 41 green paragraphs in the RLP/Lease documents (depending on lease type)**

[Crosswalk: GSA RLP/Ls + Corresponding federal mandate](#)

Sustainability Requirements in Lease Paragraphs

Construction Standards + Shell Components		Tenant Improvement Components	Utilities + Obligations During the Lease
Constrc. Waste Mgmt.	Lighting- Shell	Floor Coverings	Heating & A/C
Existing Fit Out, Salvgd.	Systems Cx	Lighting- Interior	Janitorial Services
Vestibules	Painting-Shell	Heating & A/C	Cleaning Products
EISA- Energy Star	Plumbing Fixtures	Doors (Entry; Int.;Hdwr)	Paper Products
HVAC-Shell	IAQ During Cons.	Partitions (Subdivg.)	Landscaping
Insulation	Ventilation	Wall Finishes	Recycling
Wood Products	Green Bldg.Cert (2).	Painting- T.I.	IAQ
Adhesives + Sealants	Partitions (2)		Utility Cons.Reptg.
Ceilings	Green Ls Submittals		Mold
Restrooms			

RLP: EISA; Additional Submittals; Green Building Certification

32 - 41 green lease paragraphs in the RLP/Lease align with various laws, E.O.s, policies.

5K RSF GP threshold → 10K with EO 13834

[HIGHLIGHTED RLP Language \(OCT 2020\)](#)

[HIGHLIGHTED Lease Lang \(OCT 2020\)](#)

Summary Matrix of Sustainability Paragraphs
[MATRIX Green Lease Par - GLOBAL \(OCT 2020\)](#)

Leasing Regularly Coordinates with Facilities Management: Annual Lease Inspection Form

- Office of Leasing regularly coordinates with the **Office of Facilities Management** to ensure **follow-up** on multiple sustainability provisions
- Annual Lease Inspection Form** - completed by Lease Administration Managers (LAMs):
 - ES/LEED/GG Documentation
 - ES Score - benchmarking
 - UCR Compliance
 - IAQ
 - Recycling
 - Green Cleaning/Paper Products

Form 500 Lease Inspection					
Lease Contract Number: System Generated		Building Number: System Generated			
Building Details					
Building Name: System Generated		Expiration Date: System Generated		Fully Serviced: System Generated (Yes/No)	
Address: System Generated		Lease Information		Fully Serviced: System Generated (Yes/No)	
City: System Generated		Lease Square Footage: System Generated			
State: System Generated		Zip Code: System Generated			
Contact Information					
Management Company		Lessor		Agency	
Organization: System Generated		Organization: System Generated		Agency Name: System Generated	
Address: System Generated		Representative: System Generated		Representative: System Generated	
City, State, Zip Code: System Generated		Telephone #: System Generated		Telephone #: System Generated	
Representative: System Generated		Email Address: System Generated		Email Address: System Generated	
Email Address: System Generated		GSA		GSA	
Telephone #: System Generated		COR Name: System Generated		LCO Name: System Generated	
After Hours Telephone #: System Generated		COR Telephone: System Generated		LCO Telephone: System Generated	
		COR Email: System Generated		LCO Email: System Generated	
Inspection Details					
Tenant Satisfaction		Inspection Details			
Date of Most Recent TSS: System Generated		Type of Inspection: System Generated (Annual/Follow-up/Other)		Cyclic Painting: System Generated (Last Completion Date or Due Date)	
Score: System Generated		Inspector: System Generated		Cyclic Carpet: System Generated (Last Completion Date or Due Date)	
Response Rate: System Generated		Date of Inspection: System Generated		Date of Last Fire Drill: System Generated	
		Deficiency Identified: System Generated (Yes/No)		Date of Last OEP: System Generated	
Energy Star and Green Building		Pictures Taken: System Generated (Yes/No)		Rules/Regulations Posted: System Generated	
Energy Star Score: System Generated		# of Employees: System Generated		User Entered (Drop Box Yes/No): System Generated	
Energy Star Requirement: System Generated		Additional Services Procured: System Generated (WIA, Gas, Water, Electric, Janitorial, Other)		UCR Compliant: System Generated	
Green Bldg Rating Level: System Generated					
Green Bldg Certification: System Generated					
Inspection Checklist Codes					
Exterior					
1. Parking		5. Building Appearance		8. Lighting	
2. Sidewalks		6. Landscaping		9. Exterior Equipment	
3. Snow Removal		7. Ash Cans		10. Other	
4. Loading Dock					
Interior					
Floors		Restrooms		Equipment, Systems, & Maintenance	
11. Carpet		21. Fixtures/Partitions/Other		32. Maintenance, Testing, and Balancing	
12. Resilient		22. Floors		33. Indoor Air Quality/Temp	
13. Stairs		23. Supplies		34. Elevators/Escalators	
Vertical Surfaces		Miscellaneous		35. Above Standard Equipment Maintenance	
14. Walls		24. Waste Receptacles		36. Exit Signs/Emergency Lighting/Egress	
15. Windows/Glass		25. Metal/Marble Surfaces		37. Fire Extinguishers	
16. Venetian Blinds/Draperies		26. Pest Management		38. Fire Sprinklers	
17. Doors		27. Randolph-Sheppard		Sustainability	
Ceiling & Lighting		28. Fixtures		39. Recycling	
18. Tiles		29. Hazardous Materials		40. Selection of Cleaning and Paper Products	
19. Fixtures		30. Security Requirements		41. Utility Consumption Reporting (UCR)	
20. Lighting Level		31. Other			

Guiding Principle Compliance: FY 2010 - FY2020

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Leased Facilities TARGETS	5.0 %	7.0 %	10.0 %	13.0 %	15.0 %	18.0 %	18.0 %	20.0 %	21.0 %	22.5%	25.0 %
Leased Facilities ACTUAL Performance	5.2 %	7.6 %	10.6 %	13.4 %	15.3 %	18.1 %	21.5 %	21.5 %	22.3 %	31.2 %	31.8 %

❑ Leasing met/exceeded SSPP-SRIP/ OMB Targets in FY 2010- 2020

❑ **Two paths** to Achieve GP Compliance Include:

❑ Signing Leases in **3rd Party Rated Green Space** (LEED, Green Globes) OR




❑ Include **Key Mandatory Green Clauses** in Lease (32-41)

❑ Applies to leases > 5,000 RSF (pre-2019); **>= 10,000 RSF (2019+)**

❑ 66% GP Compliance due to green clause adherence; 34%: due to locating in LEED/Green Globes space

Leasing Requirements:

Energy Star/ LEED-Green Globes/ Guiding Principles

Lease Type	Energy Star® Label 	LEED® or Green Globes Rating  	Guiding Principle Compliance
New Procurement (or Replacing)	<input type="checkbox"/> Energy Star Label REQUIRED for Leases <u>> 10,000 sf *</u> <input type="checkbox"/> Cost Effective Improvements OR E.S. Label required for Leases <u>≤ 10,000 s.f.</u>	<u>OPTIONAL</u> LEED – ID&C or GG- S.I. rating for <u>tenant interiors</u> (Upon Agency Request)	34-41 Key green clauses (Depending on lease model)
Succeeding Lease (Extension/ Renewal)	<input type="checkbox"/> Energy Star Label NOT required <input type="checkbox"/> Cost Effective Energy Improvements are REQUIRED	<u>OPTIONAL</u> LEED – ID&C or GG- S.I. rating for <u>tenant interiors</u> (Upon Agency Request)	32 Key green clauses (where applicable)
New Lease Construction – Build To Suit (> 10,000 s.f.)	<input type="checkbox"/> Energy Star Label REQUIRED	<u>REQUIRED</u> LEEDv4 -NC: SILVER Green Globes-NC: 2GG	41 Key green clauses (where applicable)
* Exceptions apply ; Lessor is still required to make Cost Effective Energy Efficiency Upgrades			

**GSA Sustainability Counts: Guiding Principle Compliant, LEED/Green Globes, Energy Star Labeled
Year-End 2019 [Based on leases >=10,000 RSF]**

REGION	ENERGY STAR			Guiding Principle Compliant			LEED/ Green Globes		
	# BLDGS.	# LEASES	LEASED RSF	# BLDGS.	# LEASES	LEASED RSF	# BLDGS.	# LEASES	LEASED RSF
1	9	13	428,997	28	35	930,500	11	12	418,617
2	12								1,214,789
3	23								3,035,994
4	28								3,389,483
5	37								2,115,147
6	11								4,343,391
7	32								1,464,399
8	28	29	2,238,357	61	64	3,579,410	26	28	2,111,341
9	60	68	2,942,651	137	153	5,713,371	55	63	2,806,114
10	15	28	2,099,532	34	49	2,234,915	106	31	1,852,058
11	121	196	25,870,179	170	263	29,358,079	125	201	24,779,525
SUBTOTAL	376	519	48,658,590	1,051	1,100	69,109,806	498	549	47,530,858
GSA Inventory Base (>=10K)	3,368	3,762	166,656,419	3,368	3,762	166,656,419	3,368	3,762	166,656,419
% of Total GSA Inventory (>=10,000 RSF)	11.2%	13.8%	29.2%	31.2%	29.2%	41.5%	14.8%	14.6%	28.5%
	[Reps. leases OVER 10,000 rsf]			[Reps. leases OVER 10,000 rsf]			[Reps. leases OVER 10,000 rsf]		

- 29% of GSA's leased square footage is in Energy Star buildings [519 leases within 376 buildings]
- 28% of GSA's leased square footage is in LEED/GrGlb rated buildings [549 leases within 498 buildings]

Utility Consumption Reporting Requirement (Par. 6.04)



UTILITY CONSUMPTION REPORTING Lease Requirement (OCT 2016)

Upon the effective date of the Lease, only for **leases over 10,000 RSF**, the Lessor shall provide regular quarterly reports for the amount of **utilities (including water) consumed** at the Building broken down by utility type **per month** for the duration of the Lease. Lessors shall report this utility consumption data within 45 calendar days of the end of **each calendar quarter** in the Environmental Protection Agency (EPA) **Portfolio Manager online tool** [HTTPS://WWW.ENERGYSTAR.GOV/](https://www.energystar.gov/) . Data reported includes, but is not limited to, the number of actual units consumed, by utility type per month, and associated start and end date(s) for that consumption.

(Refer to the following link for reporting guidance: www.gsa.gov/ucr)

- UCR Requirement is based on **E.O.13693**
- Requires **lessors to report energy and water consumption** for leases **>10,000 RSF** (in Portfolio Mgr.)
- Incorporated UCR par. into lease requirements in **Oct. 2016** (“placeholder” language in place 2 years prior)
- **Reporting/Analysis challenges** with pulling/prorating utility data for **small leases in multi-tenanted commercial buildings**
- Office of Leasing **recommends** revising any utility/GHG reporting to include:
 - **Full-building GSA occupancy**
 - **Large lease size >50K**
 - **Annual vs Quarterly reporting**

Energy Disclosure and Benchmarking: Leasing Requirements


Criteria / Leasing Requirement	EISA- Energy Star Score Reporting (Par. 3.16) 	Utility Consumption Reporting (Par. 6.04) 
Source of Requirement	Energy Efficiency Improvement Act (Apr. 2015)	E.O. 13693 (Mar. 2015)
Size of Lease	All Sized Leases	Leases > 10,000 RSF
Benchmarking in EPA's Portfolio Manager Tool	Requires data in P.M. tool	Requires data in P.M. tool
Data to Disclose	Energy Star Score (requires utility data and building/occupant data)	Monthly Utility Data (energy + water) in P.M.
Reporting Requirement: Frequency + End User	Silent; Assume a one-time reporting/benchmarking	Monthly Utility data in P.M. for GSA to access/analyze
Exceptions	Cannot benchmark due to high vacancy; State with privacy laws; No P.M. building category; Unable to access utility data	None stated

Energy Efficiency Improvement Act (2015): Model Commercial Leasing Provisions

	Public Law 114–11 114th Congress	An Act To promote energy efficiency.
Apr. 30, 2015 [S. 535]		
Energy Efficiency Improvement Act of 2015.	Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,	
42 USC 17001 note.	SECTION 1. SHORT TITLE; TABLE OF CONTENTS.	
	(a) SHORT TITLE.—This Act may be cited as the “Energy Efficiency Improvement Act of 2015”.	
	(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:	
	Sec. 1. Short title; table of contents.	
	TITLE I—BETTER BUILDINGS	
	Sec. 101. Short title.	
	Sec. 102. Energy efficiency in Federal and other buildings.	
	Sec. 103. Separate spaces with high-performance energy efficiency measures.	
	Sec. 104. Tenant Star program.	
	TITLE II—GRID-ENABLED WATER HEATERS	
	Sec. 201. Grid-enabled water heaters.	
	TITLE III—ENERGY INFORMATION FOR COMMERCIAL BUILDINGS	
	Sec. 301. Energy information for commercial buildings.	
Better Buildings Act of 2015.	TITLE I—BETTER BUILDINGS	
42 USC 17001 note.	SEC. 101. SHORT TITLE.	
	This title may be cited as the “Better Buildings Act of 2015”.	
42 USC 17062.	SEC. 102. ENERGY EFFICIENCY IN FEDERAL AND OTHER BUILDINGS.	
	(a) DEFINITIONS.—In this section:	
	(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of General Services.	
	(2) COST-EFFECTIVE ENERGY EFFICIENCY MEASURE.—The term “cost-effective energy efficiency measure” means any building product, material, equipment, or service, and the installing, implementing, or operating thereof, that provides energy savings in an amount that is not less than the cost of such installing, implementing, or operating.	
	(3) COST-EFFECTIVE WATER EFFICIENCY MEASURE.—The term “cost-effective water efficiency measure” means any building product, material, equipment, or service, and the installing, implementing, or operating thereof, that provides water savings in an amount that is not less than the cost of such installing, implementing, or operating.	
	(b) MODEL PROVISIONS, POLICIES, AND BEST PRACTICES.—	

- *Energy Efficiency Improvement Act -- April 2015 (sponsored by Senator Portman)*
- *GSA and DOE periodically publish **Model Commercial Leasing Provisions (MCLP)** related to energy/water efficiency*
- *GSA published MCLP in **Federal Register** (Fall 2015)*
- *Received 3 dozen comments → Made adjustments to lease language*
-
- *GSA-Office of Leasing annually updates RLP and lease requirements and posts revised leasing requirements on public websites and in the **Leasing Desk Guide***
- *Regular outreach to internal/external SMEs and realty community*
- *Multiple industry engagement events/year.*

Net of Utilities Lease Guidance

GSA Public Buildings Service

March 29, 2017

MEMORANDUM TO: REGIONAL COMMISSIONERS, PBS
REGIONAL LEASING DIRECTORS
REGIONAL LEASE ACQUISITION OFFICERS

3/29/2017

X James C. Wisner
James C. Wisner

Signed by: JAMES WISNER

FROM: JAMES C. WISNER
ASSISTANT COMMISSIONER FOR THE OFFICE OF LEASING - PR

SUBJECT: LEASING ALERT (LA-FY17-07) – Net of Utilities Lease Structure

1. Purpose

This Leasing Alert provides the results of multiple studies and analyses related to net of utilities leases. It is GSA's standard to use a fully serviced lease structure, with the majority of GSA leases being fully serviced; however, there are limited opportunities for project teams to consider a net of utilities lease structure. Using a net of utilities lease structure may reduce energy consumption and energy costs for a tenant agency when multiple conditions are in place, however, savings may not be sufficient to offset all costs related to administering and managing them.

2. Background

a. Key Conclusions and Findings:

The National Office of Leasing examined the benefits and challenges related to net of utilities leases from 2012 to 2016. Multiple studies and analyses were conducted to test the assumption that netting utilities from the lease provides tenant agencies with the motivation and financial incentive to reduce energy consumption. The National Office of

- *Leasing Alert LA-17-07 : Net of Utilities Lease Structure*
[Leasing Alert \(LA-17-07\)](#)
- *Memorialize multiple studies/findings (2021-2017)*
- *Provided guidance based on the targeted use of a net of utilities structure:*
 - **Full-Building GSA Occupancy**
 - **Large size lease $\geq 50,000$ RSF**
 - **High-energy +/- 24-7 User**
 - **Admin. Infrastructure to Manage/Monitor**
 - **Deregulated Energy Market**
- *Evaluation of a net structure is embedded Early in the Requirements Devt./Acquisition Planning process*
- *Leasing works with tenant agencies to regularly review potential net of utilities opportunities.*